

Regional Development News & Notes



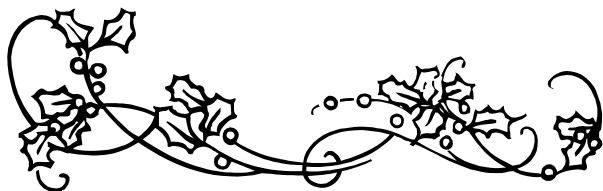
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Happy Holidays!

*From all of us at OSP, please
accept our sincerest best wishes for a
wonderful Holiday season, and a
peaceful & prosperous New Year!*



9/11 SBA Disaster Loan Fund

The U.S. Small Business Administration (SBA) has established the **September 11 Economic Injury Disaster Loan Fund** to assist eligible small businesses impacted by the 9/11 events. Low interest money is available to help businesses pay for necessary operating expenses and obligations until operations return to normal. Of course, there are conditions and restrictions to qualify for a loan, and funds cannot be used to refinance long-term debt or to expand the business. Check SBA's Web site www.sba.gov for more information. *Application deadline is 1/21/02.*

Congrats to MWVEC!

The Mt. Washington Valley Economic Council (MWVEC) is making great strides in its effort to bring high tech business and incubator space to their region. In support of the Incubator, grants from DRED (\$87,000) and HUD (\$190,000) will help get this project off the ground. Congressman Sununu was instrumental in securing the HUD grant. Additionally, Senator Gregg's office has announced the awarding of a \$650,000 National Institute of Science and Technology (NIST) grant to MWVEC. This money will launch the \$6.2 million Technology Village project in Conway. Congratulations to MWVEC on this effort!



Alliance Corner

The New Hampshire Alliance of Regional Development Corporations held its most recent Board meeting on November 28th. President Dennis McCann reports key issues discussed:

- Update on CDFA's denial of the Alliance's application for tax credits.
- DRED is working to revive the proposed Alliance training curriculum. Niel Cannon and Eliza Leadbeater will coordinate with DRED on this project.
- As yet unable to establish a central Loan Fund, discussion took place on the viability of the organization. Consensus indicated that the Alliance is still a valuable entity, and that the organization should be maintained. It will work symbiotically with the RDC Directors via OSP's now quarterly Statewide Meetings.

OSP/RDC Gatherings

The NH Office of State Planning convened a meeting of RDC Directors on November 28th. Hosted by CRDC at the Grappone Conference Center in Concord, the event was designed to give New Hampshire RDC Directors an opportunity to interact and exchange information from and about their respective regions. And, Niel Cannon presented an excellent case study on CRDC's redevelopment of the Horseshoe Pond Brownfields site in Concord. Attendance was very good, and the general consensus of the group indicates this type of meeting to be helpful and worthwhile.

Accordingly, we will schedule them on a quarterly basis for as long as they prove beneficial. Future meetings will be held in different parts of the State, each being hosted by the local RDC. The tentative time frame and host RDC for the next three meetings is as follows:

- March '02 MWVEC (Conway area)
- June '02 REDC/SBAC (Seacoast)
- Sept. '02 BCEDC (Lakes Region)

Specific dates and locations will be forwarded to RDC Directors as they get confirmed.

Did You Know?

(things to ponder, or not, when solving the economic development needs of NH)



- Oak trees do not produce acorns until they are fifty years of age or older (lesson: Some projects bear fruit long after the initial work is done).



- The average life span of a major league baseball is seven pitches (lesson: Some products are very short-lived).

Tax Increment Financing

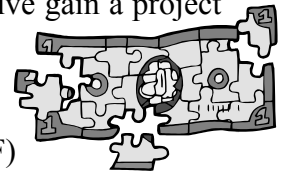
As RDCs work toward retaining existing industry and attracting new ones, various techniques are being employed. Traditional incentives carry fairly high costs to the municipality, costs they cannot afford in most cases. The trick is to find ways to provide incentives for businesses without having to pay cash for them. Tax Increment Financing (TIF) provides a means for offering incentives that carry real costs, but paying those costs from the increased tax revenues generated by the project itself. In other words, it is a means of borrowing against the speculative gain a project would bring.

Quoting from NHOSP

Technical Bulletin #13,

"Tax Increment Financing (TIF)

can be a powerful tool for funding necessary infrastructure improvements. TIF has until recently been used only by larger cities, but is equally if not more valuable for New Hampshire's smaller communities."



TIF is obtained through a general obligation bond. In order to float a tax increment issue, the municipality must first declare a "tax increment district". The district is the area that will be directly affected by the project. Once a tax increment is declared, the assessed value of the property in the district is determined. This is called the "original assessed value". Any increase in the assessed value of the property from the original value is called the "captured assessed value", or the "annual tax increment". The captured assessed value is what justifies the cost of the project, and is what's used to repay the bonds that financed the project. *"Nothing is taken away from anyone, because the TIF district uses new money that is created by new investments. Existing tax dollars are unused and untouched"* (NHOSP Tech. Bulletin 13).

Suggested reading for more info:

- NHOSP Technical Bulletin 13. <http://www.state.nh.us/osp/planning/guide/docs/TechBulletin13.pdf>.
- *Tax Increment Financing and Economic Development* by Craig L. Johnson and Joyce Y. Man; 2001 by the State University of New York Press.